

Pinal County Water Augmentation Authority

MEETING MINUTES

MINUTES OF NOVEMBER 12, 2024:

A meeting of the Pinal County Water Augmentation Authority was convened at 7:04 a.m. both remotely through technological means and in the Pinal County Offices in Casa Grande, Arizona.

Directors Present:

- Bill Collings, Papago Butte DWID
- Bryan Hartman, Maricopa-Stanfield Irrigation & Drainage District
- Jake Lenderking, Water utilities without a CAP water subcontract (at 7:08)
- Bob Marsh, City of Maricopa (at 7:08)
- Derek McEachern, Central Arizona Irrigation and Drainage District
- Craig McFarland, City of Casa Grande
- Stephen Q. Miller, Pinal County
- Fred Schneider, Water utilities with a CAP water subcontract

Also Present:

- Joe Singleton, PCWAA Executive Director
- Cheyenne Walsh, Compass Strategies
- Jeremiah Brosowske, Pinal County
- Mitch Basefsky, Central Arizona Project
- Lonnie Frost

CALL TO ORDER:

Chairman Bill Collings called the meeting to order at 7:04.

APPROVAL OF MINUTES:

Craig McFarland moved to approve the minutes as drafted from the meeting of October 8, 2024. Fred Schneider seconded the motion, which carried 6-0. **COLLINGS, HARTMAN, McEACHERN, McFARLAND, MILLER, SCHNEIDER.**

TREASURER'S REPORT:

Stephen Miller noted that the big expense item was payment to Baker Tilly. Joe Singleton confirmed that most of the invoiced amount was for the FY24 audit. Miller noted the bank balance from the last bank statement. Craig McFarland moved to accept the Treasurer's Report and pay the bills as presented. Derek McEachern seconded the motion, which carried 7-0. **COLLINGS, HARTMAN, MARSH, McEACHERN, McFARLAND, MILLER, SCHNEIDER.**

BARTLETT DAM MODIFICATION / SCIF:

Bill Collings said that he and Joe Singleton would be meeting with the SCIF committee this afternoon, as the Authority were now officially members of the group. Collings added that the Bartlett Dam Modification Steering Committee would meet on Thursday afternoon to set the new rates for the non-federal partners. Joe Singleton clarified that the agenda item for the Bartlett Steering Committee meeting related to the reallocation method was for discussion only, as the Needs subcommittee had decided to wait until spring before trying to finalize a methodology. He and Collings discussed that the subcommittee was hesitant to make a decision regarding reallocation criteria before knowing how much capacity the federal government might ask for from the project. Collings said that BOR would be presenting a public update on the project in December.

Singleton noted that a questionnaire circulated to SCIF members contained questions that seemed to center around forgoing surface water supplies to bolster water levels in Lake Mead. He said that the questions seemed formatted to assume that those being asked already had surface water supplies that they could utilize in such a manner.

Bob Marsh asked what the BOR might do with a water supply allocation. Collings said that they had not said how they would use the water. Collings theorized that they could use it in an exchange with a CAP subcontractor in order to leave the CAP water in Lake Mead, which would help to mitigate shortages in the Colorado system.

EXECUTIVE DIRECTOR REPORT:

Joe Singleton told members that the Governor's Regulatory Review Council (GRRC) had heard the Department of Water Resources' Alternative Path to Designation of Assured Water Supply (ADAWS) proposed rulemaking as part of their October 29, 2024 study session meeting. Singleton said that GRRC members had discussed some of the same issues that the homebuilders had raised at the ADWR hearing, in addition to technical matters concerning the timing of the rulemaking. At the groups subsequent meeting on November 5, 2024, they voted to table the issue, noting that they had until February, 2025 to come to a decision. Singleton said that the issue would be held over with GRCC until their following meeting cycle. Which would begin with a study session meeting the end of November and subsequent meeting the beginning of December. Singleton told members that there was speculation that there was a desire in some quarters to pass the rulemaking proposal before the vote totals were finalized from the General Election, as those would include Proposition 315, which could add a level of complexity in enacting the rule package.

Singleton informed members that the Joint Legislative Ad Hoc Study Committee on Water Security had scheduled two meetings that were rescheduled and ultimately cancelled. He said that these meetings were close to the time when GRRC was initially deliberating the ADAWS rulemaking proposal, and that the agenda published before the meetings were cancelled seemed centered around the same issues that the homebuilders had raised at the rulemaking hearings. He noted that one of the Ad Hoc committee co-chairs, Sen. Kerr would not be returning to the legislature in January, and wondered how that might affect the group rescheduling a meeting in the near term.

Singleton said that he and Chairman Collings had met with ADWR staff to discuss PCWAA's ADWR funding. He said that ADWR wanted the Authority to enter into a contract with ADWR, like those of the other entities that receive monies from the Pinal AMA Conservation and Augmentation Assistance fund, to hold the Authority to benchmarking deliverables through the contract. ADWR staff said that this would allow for justification for the Department's funding of the Authority. Singleton said that staff suggested some budgetary items that could tie into deliverables. He said that he told staff that he had a monthly running budget (as well as an annual budget that is already submitted to the Department) and suggested that it might be the basis for what they were looking for from a deliverable. He said that he submitted the budget spreadsheet to staff after the meeting and asked for their feedback on how it might suit their purposes. Singleton said that he hoped to have a response and a next step before the holidays.

Singleton said that the Arizona Water Banking Authority (AWBA) would be meeting on December 11, 2024, which is the day after the next scheduled PCWAA Board meeting. He said that the AWBA had not had access to wet water for several years, and had been using credit purchases to meet the objectives of the Annual Plans of Operation. Singleton said that the Draft 2025 Plan of Operations indicated that the AWBA would be using 6,245 AF of credits, and reminded members that several Phoenix-area entities had stored water in the Pinal AMA a few

years ago, and that water would eventually be recovered. He said that members that wanted to submit comments to the AWBA concerning the plan should do so soon.

LOBBYIST REPORT:

Cheyenne Walsh of Compass Strategies said that ballots were still being counted from the November 5, 2024 election. Walsh said that the preliminary vote counts indicated that the Republicans had 17 of the 30 seats in the state Senate, and 33 seats in the House. She said that several races were still very close, and there were 200,000 ballots left to be counted. Walsh said that all four caucuses would be meeting today to elect leadership positions. She said that it was likely that Warren Peterson would continue as President of the Senate and that several people were vying for leadership of the House. Walsh told the group that both leadership positions were open. She said that Consuelo Hernandez and Oscar De Los Santos were vying for House leadership while Senators Sundareshan and Fernandez were running for leader in the Senate. She said that committee assignments would come out following the leadership elections.

Walsh added that she thought that the legislature still planned on having the Ad Hoc committee hearing later in the month and that Proposition 315 had failed. Craig McFarland asked if there was a date for the Ad Hoc committee hearing. Walsh said she thought it would be mid-November, but was not sure of there was a solid date yet.

Bill Collings asked what the deadline was to finish counting votes. Walsh said that the vote canvass (part of the verification procedures) was scheduled for November 25, 2024. Bryan Hartman asked why Arizona is the last state to finish counting votes. Walsh said that Arizona is not last, but right now had some close races that were not called earlier. She said that most states were probably still technically counting votes, but that many had races that were far enough apart that the outcome was no longer in doubt. Stephen Miller said that mail in ballots that were dropped off at precincts on election day took a while to process due to the need for signature verification. Miller indicated that while early ballots were not counted until election day, those ballots received earlier in the process could undergo signature verification before election day, which speeds up the process.

PINAL STAKEHOLDER PROCESS REPORT:

Stephen Miller said that he had nothing new to report.

PCWAA REORGANIZATION:

Stephen Miller said that they had met with bond advisors to discuss financing options. Jake Lenderking said that bonding may provide a path forward by contracting and bond issuance. He said that striving to obtain taxing authority, while not likely, is not completely off

the table. Bill Collings said that ADWR's current position on PCWAA funding places more emphasis on looking for other funding sources, and urged the group to continue to strive for alternative avenues for funding the Authority.

CHAIR'S REPORT:

Chairman Collings said that the Water Infrastructure Finance Authority (WIFA) will release a P3 announcement in December to utilize the augmentation funds. He said that WIFA was seeking "shovel-ready" projects, and noted that if PCWAA was to pursue weather modification that it would require having something put together soon to pursue those augmentation funds. Stephen Miller suggested that PCWAA ask WIFA Executive Director Chuck Podolak to speak to the Board at a future meeting. Fred Schneider and Jake Lenderking agreed that Podolak would be a good resource. Collings later added that the Arizona Department of Environmental Quality was holding a rulemaking hearing to update their water quality standards on November 20, 2024 from 1:00-2:00.

CALL TO THE AUTHORITY:

There was a call to the Authority. There was no response.

CALL TO THE PUBLIC:

There was a call to the public. Mitch Basefsky said that the Bureau of Reclamation (BOR) had signaled that it would not be releasing the draft Environmental Impact Statement (EIS) by the end of 2024. He said that while normally this kind of activity would happen at the December Colorado River Water Users Association Conference, that the BOR instead was planning on talking about what alternatives they were considering. Basefsky said that CAP was concerned that they had not heard more discussion how the "Law of the River," the foundational regulations that govern Colorado River water use, and the requirement for 75 million acre-feet (MAF) to be delivered from the Upper Colorado River Basin to the Lower Colorado River Basin over a 10-year period were being considered within the EIS process. Basefsky said that if Colorado River conditions remained as expected for the next year, the 10-year running average of releases from the Upper Basin to the Lower Basin would fall below the 75 MAF threshold.

Basefsky told the group that the Arizona Reconsultation Committee would meet on November 18, 2024 from 9:00-11:00 a.m., and that it would not be simulcast. He said that on November 19, 2024 the Central Arizona Groundwater Replenishment District (CAGR) would have its annual membership dues roundtable that affords CAGR members the chance to have input into deciding what the annual dues will be in the future. Basefsky said that in-person participation in the roundtable meeting would require an RSVP to Jennifer Miller at CAP. He

added that this meeting would be livestreamed, and that questions could be emailed in before the meeting.

NEXT MEETING DATE:

The next meeting will be held on December 10, 2024 at 7:00 a.m.

ADJOURN

The meeting was adjourned at 8:00 a.m.

ATTEST:


William Collings, Chairman


Stephen Q. Miller, Secretary-Treasurer